

Name: \_\_\_\_\_ Date: \_\_\_\_\_

1. Find the missing value.

Principal	Rate	Time	Simple Interest
	7%	8 years	\$7,672.00

- A) \$13,800   B) \$13,600   C) \$13,850   D) \$13,700
2. Sheila borrowed \$1000.00 for 1 year. Her monthly payments are \$89.60. If she decides to pay the loan off after 4 months, find the amount of interest that she will save. (Use the rule of 78s.)
- A) \$9.64   B) \$75.20   C) \$34.71   D) \$37.60
3. Express 0.6 as a percent.
- A) 0.006%   B) 0.6%   C) 6%   D) 60%
4. Katie had an unpaid balance of \$1,458.25 on her credit card statement at the beginning of October. She made a payment of \$330.00 during the month. If the interest rate on Katie's credit card was 2% per month on the unpaid balance, find the finance charge and the new balance on November 1.
- A) Finance charge = \$27.27; new balance = \$1,155.52  
 B) Finance charge = \$29.17; new balance = \$1,157.42  
 C) Finance charge = \$33.28; new balance = \$1,161.52  
 D) Finance charge = \$39.31; new balance = \$1,167.56
5. Find the future value of an annuity if you invest \$2,500 quarterly for 6 years at 14.5% compounded quarterly.
- A) \$427,271.04   B) \$427,291.29   C) \$427,391.41   D) \$427,341.79
6. A \$2350 loan is to be paid off in 42 monthly payments of \$90.52. The borrower decides to pay off the loan after 28 payments. Use the rule of 78s to find the amount of interest saved.
- A) \$173.99   B) \$168.82   C) \$167.79   D) \$168.28

7. Find the missing value.

Principal	Rate	Time	Simple Interest
\$20,300	6%		\$3,045.00

- A) 3.5 years B) 3 years C) 2 years D) 2.5 years

8. Find the missing numbers.

Cost	Selling Price	Markup on	Markup Rate	Markup Amount
\$225.00	\$450.00	selling price		

- A) Markup Rate = 49%, Markup Amount = \$225.00  
 B) Markup Rate = 51%, Markup Amount = \$225.00  
 C) Markup Rate = 51%, Markup Amount = \$235.00  
 D) Markup Rate = 50%, Markup Amount = \$225.00

9. A helmet with an original price of \$400.00 is on sale for \$60.00. Find the percent of the markdown.

- A) 83% B) 90% C) 85% D) 15%

10. Amanda's credit card statement showed these transactions during December.

Dec 1	Previous balance	\$128.11
Dec 12	Purchases	\$254.78
Dec 18	Purchases	\$76.13
Dec 27	Payment	\$75.00

The interest rate is 12% per month on the average daily balance. Find the average daily balance, the finance charge for the month, and the new balance on January 1. [Hint: Remember that December has 31 days.]

- A) Average daily balance = \$302.36; finance charge = \$36.28; new balance = \$420.30  
 B) Average daily balance = \$311.98; finance charge = \$37.44; new balance = \$421.46  
 C) Average daily balance = \$314.77; finance charge = \$37.77; new balance = \$421.79  
 D) Average daily balance = \$329.12; finance charge = \$39.49; new balance = \$423.51

11. A coat was reduced from \$250 to \$200. Find the percent of the reduction in price.

- A) 20% B) 1.25% C) 0.8% D) 25%

12. On November 1, the Holiday House Store marked up a \$50 decoration by 30%. On November 28, the decoration was marked down 10%. It was marked up 20% on sales on December 1. Finally, it was marked down 70% on December 26. Find the final selling price.
- A) \$52.36   B) \$5.46   C) \$21.06   D) \$10.71
13. Katie had an unpaid balance of \$645.32 on her credit card statement at the beginning of November. She made a payment of \$50.00 during the month, and made purchases of \$206.21. If the interest rate on Katie's credit card was 4.5% per month on the unpaid balance, find her finance charge and the new balance on December 1.
- A) Finance charge = \$28.25; new balance = \$829.78  
 B) Finance charge = \$32.15; new balance = \$833.68  
 C) Finance charge = \$29.04; new balance = \$830.57  
 D) Finance charge = \$31.36; new balance = \$832.89
14. As part of her retirement planning, Mrs. White purchases an annuity that pays 20% compounded semiannually. If the semiannual payment is \$2,500, how much will Mrs. White have saved in 2 years?
- A) \$13,470.50   B) \$13,399.75   C) \$13,420.00   D) \$13,520.12
15. Find the missing value.
- | Principal | Rate | Time    | Simple Interest |
|-----------|------|---------|-----------------|
| \$6,700   |      | 7 years | \$2,110.50      |
- A) 4.5%   B) 5%   C) 4%   D) 3.5%
16. A company borrowed \$3300. It must make monthly payments of \$153.42 for 30 months to pay off the loan. Use the constant ratio formula to find the annual percentage rate.
- A) 30.68%   B) 31.02%   C) 31.91%   D) 30.56%

17. A house has a \$204,000.00 mortgage at 7.5%. The monthly payments are \$1,893.12. Compute an amortization schedule for the first three months.

<u>Payment Number</u>	<u>Interest</u>	<u>Payment on Principal</u>	<u>Balance of Loan</u>
1			
2			
3			

A)	<u>Payment Number</u>	<u>Interest</u>	<u>Payment on Principal</u>	
	<u>Balance of Loan</u>			
	1	\$1,275.00	\$618.12	\$203,381.88
	2	\$1,271.14	\$621.98	\$202,759.90
	3	\$1,267.25	\$625.87	\$202,134.03
B)	<u>Payment Number</u>	<u>Interest</u>	<u>Payment on Principal</u>	
	<u>Balance of Loan</u>			
	1	\$1,277.15	\$615.97	\$203,384.03
	2	\$1,273.27	\$619.85	\$202,762.03
	3	\$1,269.36	\$623.76	\$202,136.14
C)	<u>Payment Number</u>	<u>Interest</u>	<u>Payment on Principal</u>	
	<u>Balance of Loan</u>			
	1	\$1,275.00	\$618.12	\$202,106.88
	2	\$1,263.17	\$629.95	\$200,213.76
	3	\$1,251.34	\$641.78	\$198,320.64
D)	<u>Payment Number</u>	<u>Interest</u>	<u>Payment on Principal</u>	
	<u>Balance of Loan</u>			
	1	\$1,275.00	\$618.12	\$202,106.88
	2	\$1,271.14	\$621.98	\$201,488.76
	3	\$1,267.25	\$625.87	\$200,866.78

18. A building has a market value of \$229,000.00. If it is assessed at 50% of market value and the tax rate is 40 mills, find the property tax.

A) \$4,580.00   B) \$2,970.00   C) \$3,540.00   D) \$6,360.00

19. Express 0.512 as a percent.

A) 5.12%   B) 51.2%   C) 0.512%   D) 0.00512%

20. Find the missing numbers.

Cost	Selling Price	Markup on	Markup Rate	Markup Amount
\$325.00		cost	50%	

- A) Selling Price = \$492.50, Markup Amount = \$167.50  
 B) Selling Price = \$484.50, Markup Amount = \$165.50  
 C) Selling Price = \$487.50, Markup Amount = \$162.50  
 D) Selling Price = \$484.50, Markup Amount = \$159.50
21. Toby's Tire Store borrowed \$20,000 for 5 years. The monthly payment is \$351.46. Use the constant ratio formula to find the annual percentage rate.
- A) 2.06%   B) 2.14%   C) 2.23%   D) 1.97%
22. A credit card statement showed these transactions during October.
- |            |                  |          |
|------------|------------------|----------|
| October 1  | Previous balance | \$354.26 |
| October 15 | Purchases        | \$54.56  |
| October 20 | Payment          | \$65.00  |
- The credit card has an interest rate of 19.5% on the average daily balance. Find the average daily balance, the finance charge for the month, and the new balance on November 1. [Hint: Remember that October has 31 days.]
- A) Average daily balance = \$356.93; finance charge = \$69.60; new balance = \$413.42  
 B) Average daily balance = \$361.40; finance charge = \$70.47; new balance = \$414.29  
 C) Average daily balance = \$411.15; finance charge = \$80.17; new balance = \$423.99  
 D) Average daily balance = \$359.02; finance charge = \$70.01; new balance = \$413.83
23. Find the property tax on a home with a market value of \$226,000.00 which is assessed at 65% of market value if the tax rate is 100 mills.
- A) \$14,690.00   B) \$14,671.00   C) \$14,700.23   D) \$14,713.23
24. A necklace which sells for \$425.00 has a markup rate of 40% on the selling price. Find the amount of the markup and the cost.
- A) Markup Amount = \$170.00, Cost = \$255.00  
 B) Markup Amount = \$180.00, Cost = \$245.00  
 C) Markup Amount = \$160.00, Cost = \$265.00  
 D) Markup Amount = \$170.00, Cost = \$265.00

25. Find the effective rate when the stated rate is 17% and the interest is compounded quarterly.
- A) 19.16%   B) 17.36%   C) 18.11%   D) 18.36%

**Answer Key**

1. D
2. C
3. D
4. B
5. B
6. B
7. D
8. D
9. C
10. C
11. A
12. C
13. C
14. C
15. A
16. D
17. A
18. A
19. B
20. C
21. B
22. D
23. A
24. A
25. C